

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF TENNESSEE (NASHVILLE)

IN RE: . Case No. 3:19-bk-07235
CUMMINGS MANOOKIAN, PLLC, . Chapter 7
Debtor. .
. .
. .
. .
JEANNE ANN BURTON, . Adv. No. 3:20-ap-90002
Plaintiff, .
v. . 701 Broadway
HAGH LAW PLLC, et al., . Nashville, TN 37203
Defendants. . Wednesday, February 7, 2024
11:21 a.m.
. .

TRANSCRIPT OF SCHEDULING CONFERENCE AND STATUS HEARING
BEFORE THE HONORABLE CHARLES M. WALKER
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

For the Various Respondents: Bass, Berry & Sims PLC
By: CRAIG VERNON GABBERT, JR., ESQ.
150 Third Avenue South, Suite 2800
Nashville, TN 37201
(615) 742-6277

TELEPHONIC APPEARANCES CONTINUED.

Audio Operator: Lauren Wilkerson, ECR

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TELEPHONIC APPEARANCES (Continued):

For Jeanne Ann Burton:

Thompson Burton PLLC
By: PHILLIP G. YOUNG, ESQ.
One Franklin Park
6100 Tower Circle, Suite 200
Franklin, TN 37067
(615) 465-6008

For the Various
Respondents:

Spragens Law PLC
By: JOHN T. SPRAGENS, ESQ.
311 22nd Avenue North
Nashville, TN 37203
(615) 983-8900

For Cummings Manookian
PLLC:

Lefkovitz and Lefkovitz, PLLC
By: STEVEN L. LEFKOVITZ, ESQ.
908 Harpeth Valley Place
Nashville, TN 37221
(615) 256-8300

1 (Proceedings commence at 11:21 a.m.)

2 THE CLERK: Case 19-07235, Cummings Manookian, PLLC,
3 and Adversary 29-002, Burton v. Hagh Law, PLLC.

4 THE COURT: All right. Looks like most folks are
5 online. Mr. Young?

6 MR. YOUNG: Yes, Your Honor. Phillip Young on behalf
7 of trustee.

8 THE COURT: Can I get appearances from everyone?

9 MR. SPRAGENS: Good morning, Your Honor. John
10 Spragens on behalf of the various respondents. I believe
11 Mr. Gabbert is there in-person.

12 MR. GABBERT: Craig Gabbert for Afsoon Hagh.

13 MR. SPRAGENS: Your Honor, the trustee's on as well.

14 MR. LEFKOVITZ: Steven Lefkovitz for the debtor, but
15 I have no involvement in that case.

16 THE COURT: Okay. All right. Let's go with the main
17 case first. It looks like the remaining issue in the main case
18 is trustee's motion to approve compromise and settlement.
19 What's the current position and posture of that, Mr. Young?

20 MR. CASH: Your Honor, may I interrupt for a moment,
21 and I apologize. Harry Cash from Grant Konvalinka & Harrison.
22 We're involved in the main case. I thought what was called was
23 the adversary, but I want to note our presence.

24 THE COURT: Okay. Thank you.

25 MR. CASH: Thank you.

1 THE COURT: Mr. Young.

2 MR. YOUNG: Yes, Your Honor. I'll address it. I
3 think the claim settlement is substantially the only thing
4 that's left at this point in the main case. It's been fully
5 briefed. The real -- really, the two issues are the claim
6 settlement and then the related objection to standing that we
7 have. We believe that is still a viable objection. We're
8 prepared to argue that. I think that the questions I would
9 like some guidance, I suppose, from the Court, we're ready to
10 go forward with that quickly since it's already been briefed,
11 it's already been argued once. And the -- really, the guidance
12 we would like to ask the Court is, first of all, I suppose,
13 whether or not the Court's going to take up standing first.
14 That would just sort of help administratively for us to
15 understand that. Secondly, whether the Court's going to take
16 judicial notice of all the prior testimony and exhibits. That
17 would allow us essentially just to come in and update the Court
18 on the occurrences of the last two years since we tried this
19 the first time. And then the third issue is, if the parties
20 continue to put me on the exhibit list that they have in all
21 recent hearings, whether the Court will permit me to argue even
22 if I'm identified as a witness. Those are really the only
23 three issues, and those are really all administrative issues.
24 And we would suggest that we would be ready to go forward with
25 this on the final hearing on February 28th.

1 THE COURT: Okay. Mr. Spragens?

2 MR. SPRAGENS: Good morning, Your Honor. I just
3 wanted to flag for the Court as an initial matter that the
4 adversary proceeding appeal that came back down from Judge
5 Trauger last month, the notice of appeal from that would be
6 filed on Monday the 10th, and it's my expectation that we are
7 going to file an appeal in that case at my client's direction.
8 So if that gives the Court -- I mean, if the Court wants to
9 proceed in spite of that, that's up to the Court. Our position
10 is that it shouldn't. And then with respect to dates, it's the
11 first I've heard of February 28th, but I'm happy to look at
12 that.

13 THE COURT: Okay.

14 MR. SPRAGENS: And I will -- Your Honor, I will just
15 tell you that I'm supposed to be in Chicago February 28th in
16 another case.

17 THE COURT: All right. So availability would be --
18 all right. Court has the issues that Mr. Young has raised.
19 I'll address those in the appropriate order if the Court goes
20 forward. Any matters that we need to talk about given
21 Mr. Spragens' position and the likelihood that there will be an
22 appeal, again, in the adversary?

23 MR. YOUNG: Your Honor, may I address that just
24 briefly? The Court is -- as the Court knows, I think the
25 Court's under no compulsion to say this unless they get a stay

1 pending appeal. The district court was very firm in its
2 affirmation of the Court's findings. We think any appeal at
3 this point would lack any merit, and we would probably try to
4 get it summarily dispensed with in that regard. And we
5 certainly don't think the Court must pause this for another
6 year, potentially, waiting for a determination from the Sixth
7 Circuit. So we would just ask that the Court move forward
8 despite any further appeals.

9 THE COURT: All right. Any other counsel with
10 comments? All right. The Court will follow up with an
11 appropriate scheduling order related to these matters and/or
12 other guidance based off of the issues that have been raised.
13 Appreciate you logging on.

14 Anything, Mr. Gabbert, since you made the walk down
15 here?

16 MR. GABBERT: It's a nice day, Your Honor.

17 THE COURT: Yes, it is.

18 All right. Thank you, everybody, for getting on. If
19 there's no other issues, the Court expect to see something in
20 the next few days.

21 MR. YOUNG: Your Honor, may I -- Phillip Young on
22 behalf of the trustee. Are we going to talk about potential
23 dates in the adversary proceedings today? Because, honestly,
24 there's a lot more involved there. There are ongoing discovery
25 disputes that have not been resolved that maybe we can get

1 resolved or maybe we'll need the Court's intervention, but
2 they've not been resolved to date. I don't know if the Court
3 wants to set, you know, or at least consider setting dates for
4 those or if the Court wants, you know, us to submit proposed
5 dates or however the Court wants to handle that, but that's
6 probably the more involved of the two.

7 THE COURT: I mean --

8 MR. YOUNG: Yeah.

9 THE COURT: You know, as I see what's in the
10 adversary, it looks like the hearing on the stay of all
11 deadlines would be the threshold thing that we need to address
12 first.

13 MR. SPRAGENS: And, Your Honor, if I could respond.
14 The adversary proceeding -- obviously, the appeal arises from
15 the adversary proceeding, and so, you know, if the Court feels
16 it can continue with the bankruptcy, but not the adversary
17 proceeding, you know, that's one matter. But I suppose once we
18 file the notice of appeal up to the Sixth Circuit, then that
19 may impact the adversary proceeding at that time.

20 THE COURT: Okay. Well, the Court will wait to see
21 if there's an appeal filed, and we'll address the adversary
22 proceeding accordingly.

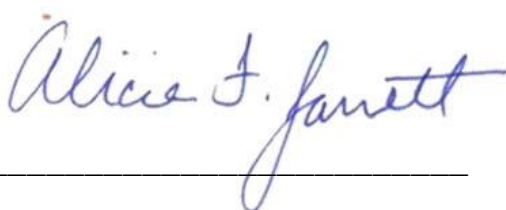
23 MR. YOUNG: I appreciate it, Your Honor.

24 THE COURT: All right. Thanks.

25 (Proceedings concluded at 11:28 a.m.)

C E R T I F I C A T I O N

I, Alicia Jarrett, court-approved transcriber, hereby
certify that the foregoing is a correct transcript from the
official electronic sound recording of the proceedings in the
above-entitled matter.



ALICIA JARRETT, AAERT NO. 428

DATE: February 20, 2024

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